

Minutes of the Finance Committee
Wednesday, October 1, 2003

Chair Haukohl called the meeting to order at 8:50 a.m. and led the committee in the Pledge of Allegiance.

Present: Supervisors Pat Haukohl (Chair), James Behrend, Donald Broesch, Joseph Griffin, Joe Marchese and Bonnie Morris. **Absent:** Supervisor Genia Bruce. Supervisor Broesch arrived at 9:00 a.m. and left at 2:40 p.m. Supervisor Behrend left at 4:20 p.m.

Also Present: Legislative Policy Advisor Mark Mader, Budget Manager Keith Swartz, Budget Specialist Linda Witkowski, Principal Financial Projects Analyst Bob Ries, Treasurer Pam Reeves, Solid Waste Manager Karen Fiedler, Information Systems Manager Mike Biagioli, Administration Director Norm Cummings, Collections and Business Services Manager Sean Sander, Senior Financial Analyst Linda Hein, Senior Financial Analyst Mike Baniel, Risk Manager Laura Stauffer, Radio Services Manager Chris Pedersen, Supervisor Bill Mitchell, Supervisor Rodell Singert, Supervisor Dan Pavelko, Supervisor Hank Carlson, Senior Financial Analyst Clara Daniels, Supervisor Duane Paulson, Senior Financial Analyst Andy Thelke and Office Services Coordinator Windy Jicha.

Approve Minutes of September 10, 2003

MOTION: Marchese moved, Griffin second, to approve the minutes of September 10, 2003 as corrected.

Motion carried: 5-0.

Executive Committee Report

Haukohl advised of the following issues discussed at the last Executive Committee meeting.

- Discussion and Consideration of the following 2004 budgets: Non-Departmental, Community Development Block Grant, Waukesha County Federated Library System.
- Budgeting for Retirees Health Benefits
- Capital Projects Revisions

Schedule Next Meeting Dates

- October 6 – a.m./ p.m.
- October 8 – a.m./ p.m.
- October 14 – 6 p.m. public hearing
- October 15 – a.m./p.m.
- October 20 – a.m./p.m.
- October 27 – a.m./p.m.

Supervisor Broesch arrived at 9:00 a.m.

Annual Report on Grant / Sunset Positions

Swartz said this report is done annually and is reflective of the 2004 budget. They look to see which positions, created by ordinance with associated non-tax levy funds such as grants, need to be terminated or alternate funding found. This report was sent out to departments in June to help them prepare their budgets accordingly and to plan for future funding sources. Swartz reviewed the report with the committee. He said changes could be found in the boxed-in areas of the report.

Swartz said Health and Human Services relies heavily on state and federal funding and has the most positions listed in this report. In 2003, there are seven grant funded full-time positions with sunset clauses in Fund 150 Human Services and nine grant funded in Fund 310 CIP/COP. Also found within the Department of Health and Human Services budget, the Public Health Division, has four grant funded full-time and one regular part-time positions with sunset clauses.

Swartz said Senior Services has one grant funded full-time, two regular part-time positions and 13 Extra Help Nutrition Site Managers with sunset clauses. The 2004 budget proposes converting the Extra Help Nutrition Site Managers to regular part-time positions.

Swartz said because of the increased workload in the Community Development Block Grant (CDBG) Division, there is an increased 0.25 FTE in CDBG and a same decrease from the County Executive Department. This will be funded by federal funds. In the County Executive – Emergency Management Division there is a request to continue the Clerk Typist I/II in 2004 due to ongoing need.

Swartz said all listed positions in the Sheriff's Department are related to municipal contracts. In 2003, there are eight full-time municipal contract funded positions with sunset clauses. In total, the county has 50 full-time, five part-time and 13 nutrition site managers with sunset clauses associated with them. The Radio Dispatch Coordinator position will be eliminated December 31, 2004. This position was created to transition the Sheriff's Department into the Communications Center.

2004 Budget Overview

Swartz and Witkowski reviewed the budget overview as outlined in the 2004 budget book. He began by reading through and reviewing the letter from County Executive Dan Finley to the County Board Supervisors as found on pages 8 – 13 in the budget book.

Witkowski provided an update on statistics and trends as outlined in pages 462 -553 of the 2004 budget book.

2nd Quarter Status Report on Investments

Ries was present and discussed the Waukesha County Investment Report. Ries discussed the current financial markets, interest rates and how they affect Waukesha County. Ries said that right now with the market being uncertain, it is best to move money to more secure investments. He reported that as of the end of the second quarter, the total investment revenues (net of management and banking service fees) for Waukesha County totaled \$1,509,717. The total investment revenue for the year ending June 30, 2003 was \$7,588,978. The average daily balance for total investments for the second quarter of 2003 was \$180,334,256. The average daily balance for the year ending June 30, 2003 was \$167,241,355. The total investment yield (net of management and banking service fees) for the second quarter of 2003 was 0.84%. The total investment yield for the year ending June 30, 2003 was 4.54%.

Investments in the Bank One Investment Advisors account realized a yield of 1.57%; the highest of all investment yield accounts used by Waukesha County. The Wells Fargo Bank Checking account realized the smallest yield of 0.15%. As of June 30, 2003, the Waukesha County investment portfolio had the following composition: checking 3%, state pool 32%, money funds 1%, Bank One 20%, Dana 28% and Gallaird 16%.

Payment of Special Assessments and Tax Certificates Issued

Reeves began by distributing two handouts. She discussed the report titled Per Wisc Statute 74.57. This report lists the name of the community, the number of delinquent properties and the amount delinquent. The county issued 2,228 tax certificates for delinquent 2002 property taxes which resulted in \$6,485,959.60 in delinquencies. Certificates must be held for two years before foreclosure action can begin. Reeves then reviewed the handout regarding special assessments paid to municipalities for delinquencies for the 2002 tax year. Reeves said special assessments are on the property tax bills and if landowners do not pay the taxes, we foreclose on the property.

Discuss and Consider the 2004 Operating Budget for the Treasurer's Office

Reeves was present to discuss Treasurer's Office 2004 operating budget as outlined in the budget book. She covered the following areas: mission, financial summary, position summary (FTE), departmental objectives and major departmental strategic achievements. Total expenditures for 2004 are \$646,641 and total revenues are \$7,066,539. This department has a negative amount of tax levy, -\$6,416,898. The tax levy credit amount, which is revenues in excess of expenditures, is used to reduce tax levy funding for other general government operations. Reeves explained the following programs: Tax Collections, Investments and Administrative Services.

Reeves said the department has one proposed capital project scheduled for 2004 to update the Tax Records software program. The annual ongoing costs include software and licensing costs which are to be split evenly between the Register of Deed's office (\$42,500) and Treasurer's Office (\$42,500).

Reeves discussed the department staffing. In October 2001, a staff member moved out of state and Reeves chose not to fill the position at that time. They have an extra position in the office that has not been filled. She is proposing to share an employee with the County Clerk's office. The staff member's benefits and salary and hours of work would be split evenly between both departments. The Departments have different busy seasons when extra help is needed so sharing one full-time staff person makes sense. They have not figured out all the logistics on this issue yet.

Mader suggested making a tentative approval of the 0.50 FTE reduction to this budget. Mader said he doesn't think we can fix all the budget details for this department today. The committee could tentatively approve the budget with the tentative approval of the additional 0.50 FTE position adjustment. Mader said Supervisor Paulson worked hard to devise this plan.

MOTION: Marchese moved, Broesch second, to tentatively approve the 2004 operating budget for the Treasurer's Office subject to positions changes. **Motion carried:** 6-0.

Discuss and Consider Ordinance 158-O-071: Authorize Parks and Land Use Department to Negotiate and Execute Agreements With Non-participating Municipalities and School Districts for Recycling Services

Fiedler said this ordinance authorizes the Department of Parks and Land Use to enter into agreements with municipalities and school districts not currently participating in the county recycling program. Under the agreements, the county would charge new communities a tipping fee based on historical recycling processing costs per ton and return an amount equal to the actual materials sales revenues received. New participants would also receive the associated state recycling grant revenues. The tipping fee charge is estimated to cover the full cost to process and market materials as well as capital equipment replacements (through depreciation expense), educational services and administrative support. The difference between the estimated tipping fee revenues and materials processing costs is to be retained by the county. Total revenues for this program are estimated at \$204,000 with expenses totaling \$144,960. The estimated net amount retained by the county is \$59,040.

Fiedler said the county is responsible for handling recycled materials for 25 communities. There are 12 communities that are responsible for their own recycled materials. This is in the 2004 budget but it needed to be submitted in October to cooperate with the grant deadline. This ordinance allows the Parks and Land Use staff to bring the 12 communities and school districts on board to the county's recycling program. Muskego and Lannon may soon come on board because their hauling contracts are almost up. Corporation Counsel has drafted an agreement for these communities. The fiscal note outlines the revenues and expenses for the program based on 3,000 tons of recyclable materials.

MOTION: Morris moved, Broesch second, to approve 158-O-071: Authorize Parks and Land Use Department to Negotiate and Execute Agreements With Non-participating Municipalities and School Districts for Recycling Services. Motion carried: 6-0.

Contract Procurement Process for Web Content Management Application Development

Biagioli said this project comes in on budget. The first year's cost for this application is \$133,717.11 and \$11,636.35 for the next four years. He doesn't anticipate any additional costs for hardware. This software will allow departments within a framework designated by Information Systems to develop interactive Web pages themselves. Biagioli's staff will no longer need to spend time developing and updating Web pages. In the long run, this will save the county \$80,000 - \$125,000 annually. There is a five-year life span on the technology and is part of an approved capital project.

MOTION: Behrend moved, Broesch second, to approve the Contract Procurement Process for Web Content Management Application Development. **Motion carried:** 6-0.

Discuss and Consider the 2004 Operating Budget for the Department of Administration

The budget presentation started with a PowerPoint presentation titled "Department of Administration 2004 Budget: Meeting Today's Challenges." Cummings said this is the tenth anniversary of the Department of Administration. There are two funds included in the Department of Administration, the General Fund and Proprietary Funds. The PowerPoint presentation included both highlights and information from the 2004 budget book and supplemental information including a six-year positions history, fund highlights, 2004 regular positions, achievements, objectives and highlights. Total expenditures for the total 2004 Administration budget are \$12,437,050 and total revenues are \$7,205,537 for a tax levy increase of \$100,158 or 1.9%.

Sander, Cummings and Biagioli reviewed the General Fund budget and its programs as outlined in the 2004 budget book including financial summaries, position summaries, objectives and achievements. The General Fund includes the following divisions: Administrative Services, Accounting, Budget Management, Information Systems, Employment Services/Training and Purchasing. Sander reviewed these divisions. Total expenditures for the 2004 General Fund are \$6,455,234 and total revenues are \$940,380 for a tax levy increase of \$105,158 or 1.9%. This fund includes 74.60 FTE regular, 6.76 FTE extra help and 0.13 FTE overtime positions.

Haukohl pointed out several price discrepancies on page 343 of the budget book in the section titled "Current and Proposed Capital Projects." She said all of the listed amounts in the budget book should be the same as the capital projects sheets approved by the Executive Committee. Cummings said he would update this page of the budget book to match the Executive Committee approved capital projects sheets.

Supervisor Broesch left at 2:40 p.m.

Biagioli said personnel costs in the Network Support program have increased due to the transfer of a Senior Information Systems Specialists position from Application Development.

Cummings, Sander and Biagioli reviewed the budget and positions in the End User Technology Fund in the Non-Departmental budget. Staff in this budget serve the entire county and report to Information Systems. Cummings said once this fund is completely supported by countywide departments, these positions will be moved to the Department of Administration.

Stauffer presented the 2004 budget for Risk Management as found in the 2004 budget book. This fund includes the following programs: General/Auto Liability and other Insurance and Workers' Compensation. She covered the following areas in the Risk Management Fund: fund purpose, financial

summary, objectives, achievements, performance measures, highlights and activities. The Risk Management Fund has total expenditures of \$2,044,122 and total revenues of \$2,044,122. Interdepartmental Revenues from charges to insured departments include tax levy funding. The positions summary for this fund reveals no change in total positions.

Sander reviewed the 2004 budget for Records Management as outlined in the 2004 budget book. He reviewed the following areas: fund purpose, financial summary, position summary, capital project, objectives and achievements. The programs found in this fund include: Microfilm/Imaging, Records Management, Print Services and Mail Services. Cummings said the County Executive believes this fund to be a low priority.

Pederson reviewed the Radio Services Fund. This fund is an Enterprise fund which is used to account for operations that are financed and operated similar to private businesses, where the costs of providing services are financed or recovered primarily through user charges to Waukesha County Departments and outside agencies. He reviewed the fund purpose, financial summary, objectives, highlights, position summary and performance measures for this fund. 2004 total revenues for the Radio Services fund are \$979,009 and total revenues are \$1,157,561.

Sander reviewed the Collections Fund 2004 operating budget including fund purpose, financial summary, objectives and achievements. Personnel costs increase due to the addition of 1.0 FTE Collections Specialist, cost to continue existing staff, additional administrative extra temporary help and increased health insurance costs. The new position in Collections will generate revenue greater than two and one half times it's additional expense. Cummings said not everyone is suited to do collections work and he doesn't want to lose staff through burnout. They will continue to use temporary help in this area.

Supervisor Behrend left at 4:20 p.m.

MOTION: Morris moved, Griffin second, to tentatively approve the 2004 Operating Budget for the Department of Administration. **Motion carried:** 4 - 0.

Motion to Adjourn

MOTION: Morris moved, Griffin second, to adjourn the meeting at 4:30 p.m. **Motion carried:** 4 - 0.

Respectfully submitted,

Joseph F. Griffin
Secretary